

JAP:TF

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

M 11-339

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UNITED STATES OF AMERICA

- against -

COMPLAINT AND AFFIDAVIT
IN SUPPORT OF APPLICATION
FOR ARREST WARRANT
(18 U.S.C. § 2320(a))

XIAO JUAN SUN,
also known as "Sun Xiao Juan"
and "Judy,"

Defendant.

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EASTERN DISTRICT OF NEW YORK, SS:

ROSANNA LICITRA, being duly sworn, deposes and says
that she is a Special Agent with the Department of Homeland
Security, Homeland Security Investigations ("HSI"), duly
appointed according to law and acting as such.

Upon information and belief, on or about March 30,
2011, within the Eastern District of New York and elsewhere, the
defendant XIAO JUAN SUN, also known as "Sun Xiao Juan" and
"Judy," did knowingly and intentionally traffic in goods and
knowingly use a counterfeit mark on and in connection with such
goods, in violation of Title 18, United States Code, Section
2320.

(Title 18, United States Code, Section 2320(a))

The source of your deponent's information and the

grounds for her belief are as follows:¹

1. This affidavit is based upon my own observations and investigatory activities, as well as conversations with members of other law enforcement agencies. Where the contents of documents and the actions, statements and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

2. On or about March 27, 2011, a DHL Express Package, addressed from "Lucky Dragon Logistics Industry, Area Cuigang Wet Road Baoan, Shenzhen, China, Hong Kong, Hong Kong" to "Li X. Qing" at 150-17 HORACE HARDING EXPRESSWAY, FLUSHING, NEW YORK 11367 ("PACKAGE 1" and "PREMISES 1") arrived at a DHL Express facility located at John F. Kennedy International Airport in Queens, New York ("JFK"). The package was shipped from China and purported to contain hardware samples. Customs and Border Protection ("CBP") officers, with the assistance of HSI agents, opened the package and found apparently counterfeit luxury handbag labels. In total, the box contained approximately 1,500 "D&G" metal labels. A Customs and Border Protection Import Specialist authenticated the labels and determined that they were counterfeit.

3. On or about March 28, 2011, a DHL Express Package,

¹ Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause for arrest, I have not described all the relevant facts and circumstances of which I am aware.

addressed from "Lucky Dragon Logistics Industry, Area Cuigang Wet Road Baoan, Shenzhen, China, Hong Kong, Hong Kong," to "Li X. Qing" at PREMISES 1 ("PACKAGE 2") (collectively, the "PACKAGES") arrived at the same DHL Express facility located at JFK. The package was shipped from China and purported to contain hardware samples. Customs and Border Protection ("CBP") officers, with the assistance of HSI agents, opened the package and found apparently counterfeit luxury handbag labels. In total, the box contained approximately 1,400 "D&G" metal labels. A representative provided by Dolce and Gabana authenticated the labels and determined that they were counterfeit.

4. Pursuant to a search warrant issued by your honor on March 29, 2011, agents conducted a controlled delivery of the PACKAGES at PREMISES 1 on March 30, 2011. At approximately 9:30 am, a man accepted delivery of the PACKAGES on behalf of his sister-in-law. Through further investigation I identified his sister-in-law as XIAO JUAN SUN, located her vehicle registration, and began surveillance at PREMISES 1.

5. At approximately 6:30 pm on March 30, 2011 a female, subsequently identified as XIAO JUAN SUN, driving a vehicle registered to XIAO JUAN SUN, arrived at PREMISES 1. She entered the premises and emerged with PACKAGE 1, which she placed in the trunk of her car. She and another female ("Female 1") continued to bring boxes, including PACKAGE 2, from PREMISES 1 to the trunk of XIAO JUAN SUN's vehicle.

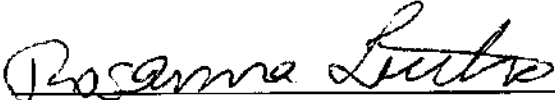
6. Agents approached XIAO JUAN SUN, confirmed her identity, and gave her Miranda warnings in Cantonese, after which she waived her rights. The defendant XIAO JUAN SUN and Female 1 then gave agents consent to search PREMISES 1, and showed agents numerous boxes in the basement containing counterfeit luxury labels and tags. XIAO JUAN SUN confirmed that all of the boxes belong to her. A total of 27 boxes containing thousands of luxury labels and tags were recovered from PREMISES 1.

7. XIAO JUAN SUN then consented to accompany agents to her home in Queens, New York ("PREMISES 2"), whereupon she showed agents boxes in her dining room and another room containing counterfeit luxury labels and tags. She also showed agents a price sheet for luxury labels and tags that she provided to her "customers." In substance and part, she described her "business" of selling counterfeit luxury labels and tags to "customers" who would attach them to belts, handbags, and other items, and stated that she knew that the trafficking of these counterfeit goods was illegal. A total of 53 boxes containing thousands of counterfeit luxury labels and tags were recovered from PREMISES 2.

8. A total of 80 boxes containing over 100,000 counterfeit luxury labels and tags were recovered from PREMISES 1 and PREMISES 2. The labels and tags recovered represent approximately \$100 million in losses according to the manufacturers' suggested retail prices for the authentic items

with which the counterfeit goods compete.

WHEREFORE, your deponent respectfully requests that defendant XIAO JUAN SUN be dealt with according to law.



ROSANNA LICITRA
Special Agent
Department of Homeland Security
Homeland Security Investigations

Sworn to before me this
1st day of April, 2011

THE HONORABLE MARILYN D. GO
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK